ENTERPRISE
SASKATCHEWAN

Our Business is Business

2010-11 YEAR IN REVIEW

ANNUAL REPORT & BOARD PROGRESS UPDATE

Cover photos *(top to bottom):*

Truck owner/operators Dale Peacock and Rene Gareau with Wendy Featherstone of Northern Resource Trucking

West Central Pelleting's General Manager Dean Skinner

Channing McCorriston, Bryan McCrea, Evan Willoughby of 3twenty Solutions

Marty and Marie Bohnet of Cypress Hills Vineyard and Winery

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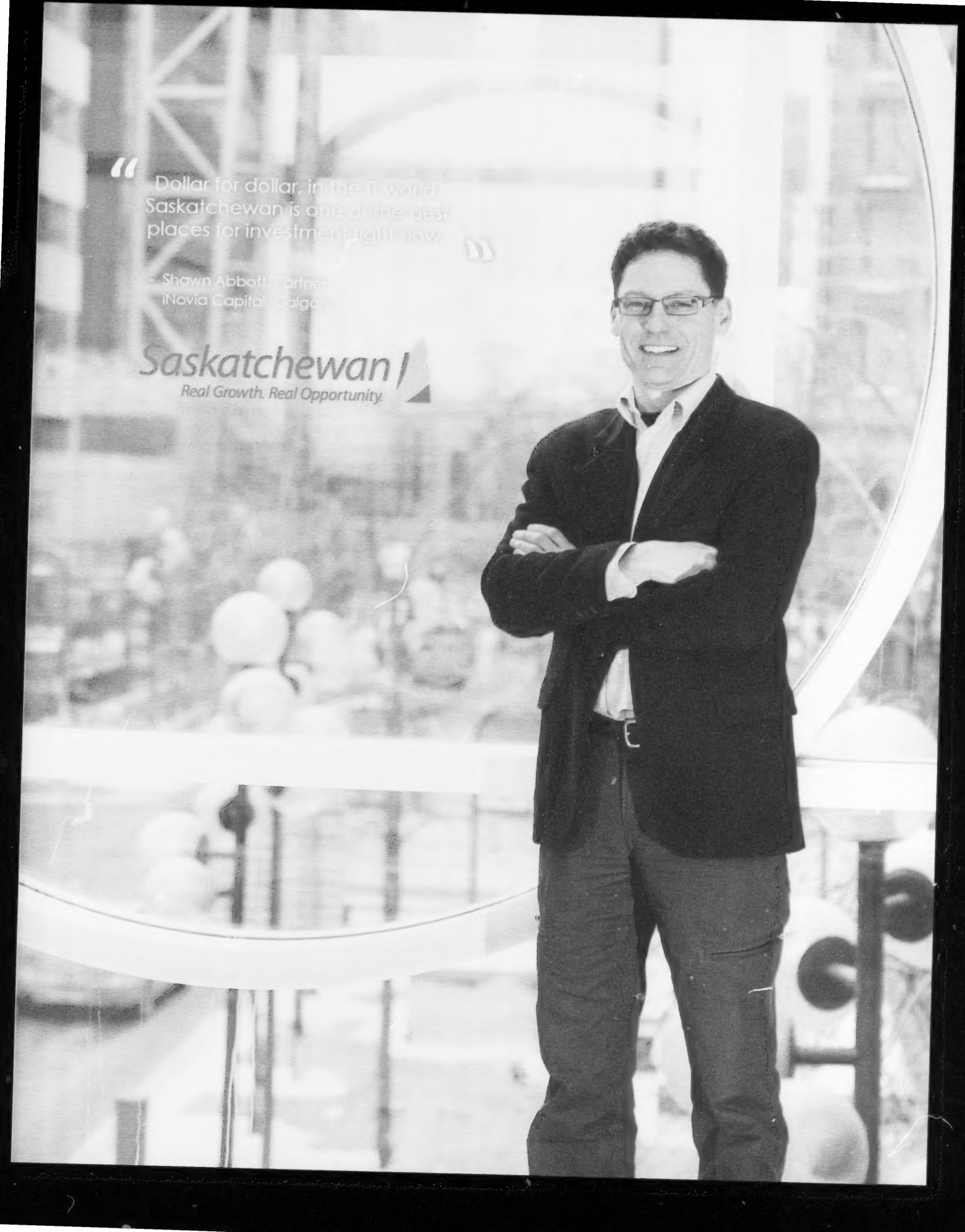
An electronic copy of this report is available at: www.enterprisesaskatchewan.ca

2010-11 ANNUAL REPORT


"Dollar for dollar, in the IT world Saskatchewan is one of the best places for investment right now."
– Shawn Abbott, Partner
iNovia Capital, Calgary
Saskatchewan
Real Growth. Real Opportunity.

LETTERS OF TRANSMITTAL

His Honour, The Honourable Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it please your Honour:

I have the honour to submit herewith the Annual Report of Enterprise Saskatchewan, together with the financial statements, for the fiscal year ending March 31, 2011.

The Honourable Jeremy Harrison
Minister of Enterprise

The Honourable Jeremy Harrison
Minister of Enterprise

Dear Sir:

I am pleased to submit the Annual Report of Enterprise Saskatchewan for the fiscal year ending March 31, 2011. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our agency during the past year.

Chris Dekker
Chief Executive Officer
Enterprise Saskatchewan

INTRODUCTION

This annual report represents Enterprise Saskatchewan's (ES's) activities and results for the fiscal year ending March 31, 2011. It reports progress made on public commitments and other key accomplishments of the agency.

As the Government of Saskatchewan's central economic development agency, ES works directly with industry and other stakeholder groups to build on competitive strengths and overcome obstacles to sustainable economic growth. ES also plays an important co-ordinating role with other ministries and Crown corporations to ensure that policies and priorities across government are aligned with the economic growth agenda.

The 2010-11 Annual Report provides results on the publicly committed strategies, actions and performance measures identified in the Agency Plan for 2010-11. The report also demonstrates progress made on government commitments as stated in the Government Direction for 2010-11, the Minister's Mandate letter, throne speeches and other commitments.

This report contains two sets of financial figures: one for Enterprise and Innovation Programs, and one for ES. Programs governed by legislation and regulations are administered by ES on behalf of the Minister of Enterprise. These programs are funded under Vote 43 and will continue to require separate financial reporting under that heading.

The 2010-11 Annual Report sets the stage for the 2012-13 planning and budgeting process by providing an opportunity to assess accomplishments, results and lessons learned in order to build on past successes for the benefit of Saskatchewan people.

Mission Statement

Enterprise Saskatchewan provides leadership as the central co-ordinating agency of the Government of Saskatchewan for economic development. In partnership with key stakeholders, ES advances a transformative sustainable economic growth agenda and develops a culture of innovation and entrepreneurship that encourages investment and population growth, creating prosperity for all Saskatchewan residents.

"Our SBLA loan allowed us to increase inventory and offer customers a greater selection — which is imperative to our success."

– Paula Woodhouse
Partner, The Giggle Factory

SMALL BUSINESS LOANS ASSOCIATION (SBLA) PROGRAM

The SBLA program makes funds available to entrepreneurs through community-run associations. Many Saskatchewan success stories have their roots in an SBLA loan. Since its start in 1989, the program has provided loans of up to $15,000 to more than 10,000 startup and young businesses that may have had a hard time finding traditional financing.

Values Statement

ES's culture is driven by its values: collaboration, excellence, integrity, innovation and accountability. The agency's success is embodied by open communication, teamwork and actions that are transparent and consistent. Each employee is responsible for taking personal ownership in living these values. The organization is committed to providing work-life balance, developmental opportunities and a supportive work environment.

Collaboration

Our strength is collaboration with each other, our clients and stakeholders across both the public and private sectors in achieving our objectives.

Excellence

We strive to provide the very best and creative ideas, programs and services to our clients and stakeholders, both within and outside of government.

Integrity

We conduct our business in a professional manner by communicating openly, treating people consistently with respect, being honest and trustworthy, and respecting diversity.

Innovation

We seek creative solutions by having fun, encouraging risk-taking and being resourceful to enhance Saskatchewan's business environment.

Accountability

We take actions that are consistent with our values, accept responsibility for our actions, hold each other accountable and take pride in achieving meaningful results.

ALIGNMENT WITH GOVERNMENT'S DIRECTION

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Enterprise Saskatchewan (ES) creates conditions that foster sustainable economic growth in Saskatchewan. As mandated in its legislation, Enterprise Saskatchewan undertakes activities to continuously improve the competitiveness of Saskatchewan's business environment. Favourable conditions for economic growth provide the kind of opportunities that will allow Saskatchewan people to look confidently to the future. Economic growth, in turn, provides revenues to government that fund the programs and services associated with Saskatchewan's high standard of living.

ES is committed to being transparent and accountable to the people of Saskatchewan. The agency is led by an independent board of directors who represent a diverse range of interests and are truly a cross-section of Saskatchewan's economic stakeholders. The board is informed by the recommendations of numerous sector teams and strategic issues councils, which are comprised of private sector volunteers whose work represents an additional level of direct public involvement in ES's activities. Through these structures, and through semi-annual board progress reports as well as this annual report, ES remains open and accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of government's three goals and work towards a secure and prosperous Saskatchewan.

AGENCY OVERVIEW

Enterprise Saskatchewan (ES) is the central economic development agency of the Government of Saskatchewan, with responsibility for developing and implementing Saskatchewan's long-term growth strategy. Based on stakeholder participation and collaborative decision-making, ES makes economic strategy recommendations for the province; establishes, monitors and reports on key indicators of economic growth; enhances regional economic development; encourages entrepreneurship; and co-ordinates business attraction and marketing efforts to promote Saskatchewan as the best place to live, work, operate a business and invest.

ES functions as a special operating agency, led by a 12-member board of directors. The Minister of Enterprise chairs the board, with other members representing diverse interests, including business, labour, Aboriginal, rural municipalities, urban municipalities, post-secondary education, co-operatives, resource industries and agriculture, plus one member-at-large and another member of Cabinet.

ES works closely with its sister agency, Innovation Saskatchewan, in areas of common interest related to innovation and commercialization, strategic management of research spending and related infrastructure, technology transfer and productivity improvement.

The following key services are delivered by ES:

- Sector Development – Based on recommendations from sector teams of external industry advisors, this division works to increase the growth and competitiveness of key economic sectors. The division also co-ordinates cross-government work on major economic development projects and undertakes activities with other partners to attract investment through lead generation, building strategic relationships with companies and industry associations, and strategic and aggressive promotional and sales efforts.

- Competitiveness and Strategy – Provides policy advice to government on cross-cutting issues affecting economic development based on recommendations from stakeholder-led strategic issues councils. The division also identifies economic growth measures, tracks ongoing performance and reports publicly on progress. The division leads the regulatory modernization agenda and related online services to business, such as the BizPaL and Saskbiz websites.

- Marketing and Communications – Develops strategies to promote investment and economic development through tactics such as sponsorships, event organization, media relations, advertising and marketing collateral materials. The division supports work of other divisions by designing marketing plans around investment attraction events and missions, and Enterprise Saskatchewan programs and services. The division is also responsible for the agency's website and web-related activities, and provides strategic communication advice to advance the agency's priorities and goals.

- Regional Enterprise – Manages funding and provides support to the 13 Enterprise Regions to help each region increase business and industry competitiveness, realize economic potential and compete globally. The division is also responsible for the development and promotion of business and competitiveness tools to support business retention, creation, expansion and succession; youth engagement; and entrepreneurship education.

- Investment and Corporate Services – Administers programs such as the Western Economic Partnership Agreement, the Community Development Trust Fund program, and three Enterprise and Innovation programs: the Invest in Saskatchewan program, the Small Business Loans Association program, and the Ethanol Fuel Grant program. It also provides corporate services including finance, human

resources, information technology, legal and board services, and contract administration.

As the central economic development agency of the Government of Saskatchewan, ES works with all ministries, Crown corporations and agencies, as well as with a diverse group of stakeholders that includes industry associations, chambers of commerce, individual businesses and other stakeholders with an economic interest. ES's employees provide services through main offices in Saskatoon and Regina, six regional offices across the province, and the Canada-Saskatchewan Business Service Centre.

"Being a part of the program has had a tremendous impact on how employees — as owners — view their day-to-day involvement."

- Chris Tobler, Vice President
West Wind Aviation

INVEST IN SASKATCHEWAN PROGRAM

The Invest in Saskatchewan program encourages Saskatchewan people to support economic growth in their province by investing in funds called Labour-Sponsored Venture Capital Corporations (LSVCCs). The LSVCCs, in turn, invest in small and medium-sized businesses based in Saskatchewan. These investments help Saskatchewan companies grow and create jobs.

ENTERPRISE SASKATCHEWAN HIGHLIGHTS 2010-11

Red Tape Reduction

The Enterprise Saskatchewan Board (ES) Board of Directors made a recommendation to government to improve the province's regulatory environment. In the October 2010 throne speech, the government announced it would introduce a Regulatory Accountability Initiative to cut red tape and make the province's regulatory environment more predictable and transparent. The focus of this red tape reduction initiative is to monitor and assess the impact of regulations on business and to use the lean process to measurably reduce processes that do not add value to government and business.

STARS Air Ambulance

The ES board made a recommendation to government to accelerate a helicopter rescue program in partnership with the private sector that builds on existing infrastructures within communities and enhances the existing emergency response sector in rural and remote areas. In the March 2011 budget speech, it was announced the government would be investing $5 million in the Shock Trauma Air Rescue Society (STARS) – a non-profit organization that provides helicopter air medical transportation.

Head Office Attraction Initiative

As part of the Government of Saskatchewan's head office attraction initiative, the Mosaic Company announced that as the lead tenant in the third Hill Centre Tower, it will establish the new headquarters for its potash operations in Regina.

"Real Growth. Real Opportunity." National Marketing Campaign

The Government of Saskatchewan and ES announced a three-year national marketing campaign in November 2010, promoting the province as a great place to live, work, invest and do business. The campaign focuses on the province's attractive business climate and its status as a leader in innovation and entrepreneurship. The campaign helps tell the Saskatchewan story by highlighting real stories from real people about why they have chosen to do business in Saskatchewan or move here to start a career. The campaign is being carried out via television ads, online components and print media.

Sector Reorganization

In January 2011, ES announced the reorganization of its sector teams and strategic issues councils. Sector teams were reduced from 18 to eight, and the number of strategic issues councils was increased from three to four. A Labour Market Task Force was also established in co-operation with the Saskatchewan Chamber of Commerce and the Ministry of Advanced Education, Employment and Immigration. These changes were undertaken in order to streamline the important process of providing government with recommendations for policies to build on competitive advantages and reduce barriers to economic growth.

Saskatchewan Renewable Diesel Program

A renewable diesel program was launched as part of the 2011-12 provincial budget. The five-year, $26-million program will provide a 13 cent per litre grant to eligible renewable diesel producers. The program began on April 1, 2011, and a two per cent renewable diesel mandate comes into effect on July 1, 2012. The program will wind down in 2016.

Enterprise Saskatchewan (ES) is primarily aligned with government's goal to "Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development."

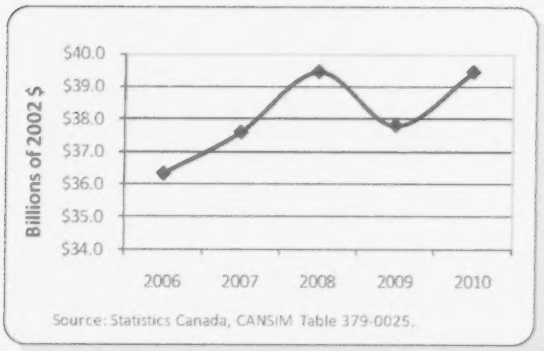
Increase economic growth by engaging key stakeholders in economic development planning.

Results:

- ES provided secretariat support for 10 strategic issues council meetings, 22 sector team meetings, and seven ES board meetings.
- The Enterprise Saskatchewan Board of Directors made 14 recommendations to Cabinet, of which 12 were brought forward by sector teams and strategic issues councils. Of the 74 total recommendations made by the board since its inception, 39 have been implemented.
- All 13 Enterprise Regions (ERs) received operating and matching funding to deliver regional economic development initiatives and projects throughout the province. ES provided funding support for the Planning for Growth initiative to enhance regional planning capacity and establish best practices for sustainable growth and development. Many of the ERs provided information and co-ordinated program applications.
- A "Strategic Business Overview and Procurement Forum" was planned for April 10, 2011. At this forum, Saskatchewan's Crown corporations and ministries were provided an overview of their business plans for Information Technology, Manufacturing Services and Construction/Engineering. As well, companies learned how to do business with the Crowns and ministries and heard about new opportunities under the New West Partnership Agreement.

Measurement Results:

Saskatchewan Real Gross Domestic Product (GDP)



Source: Statistics Canada, CANSIM Table 379-0025.

- Real GDP measures the amount of goods and services produced by the provincial economy. It expresses the value of goods and services produced in 2002 dollars, so that rather than reflecting changes in price, only actual changes in output are reported.
- According to preliminary estimates, Saskatchewan experienced a 4.4 per cent increase in real GDP in 2010, mainly as a result of increased mining activity.

Increase investment in Saskatchewan.

Results:

- ES participated in Foreign Affairs and International Trade Canada (DFAIT)/Financial Times Invest in Canada seminars in six major U.S. cities, as well as DFAIT's Invest in Canada seminar in Gujarat, India.
- ES facilitated and co-ordinated the memorandum of understanding between Gujarat Mining Development Corporation and the Ministry of Energy and Resources.

- ES was involved in 30 outgoing investment attraction missions and received 55 incoming trade missions in 2010-11. Some of the more noteworthy missions that ES planned, in collaboration with Intergovernmental Affairs, included Premier Wall's trips to India and the U.K., Minister Norris's trip to India, and Minister Boyd's trip to Japan and China. ES directly participated in the investment attraction trips to China and Japan and provided communication and marketing support for the Premier's two missions.

- ES participated in the Canadian Institute of Mining, Metallurgy and Petroleum trade show in Vancouver, and partnered with the Ministry of Energy and Resources as an exhibitor at the North American Petroleum Expo in Houston, Texas, and the Global Petroleum show in Calgary.

- In-market consultants (IMC) for the U.K., U.S., India and the Middle East developed numerous investment attraction leads. The existing IMC contracts expired on March 31, 2011, and new contracts are under development in several key markets (U.K., India, Canada and Europe).

- ES launched the "Real Growth. Real Opportunity." national business attraction campaign in November 2010. ES consulted several related government ministries and external stakeholders in developing the campaign strategy. In December 2010, a small U.S. online campaign was added. As of March 2011, the campaign had generated more than 35,000 visits to the thinksask.ca website and was responsible for about half of all referrals to the saskjobs.ca website.

- ES maintains the Major Projects Inventory on behalf of the Cabinet Committee on Economic Development. This includes regular progress reporting and pathfinding assistance to investment project proponents. Fifty-four projects are under active management.

- ES provided funding support to the Planning for Growth initiative in response to the ERs identifying planning as a barrier to growth.

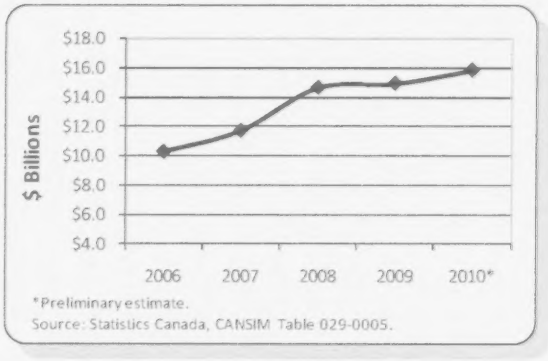
- ES helped to attract one major head office investment and was involved in projects that led to eight significant new corporate investments.

- ES regularly monitors tax rates in the other provinces and publicly reports on Saskatchewan's tax-competitiveness. In addition to these activities, ES produced reports for the ES board related to design principles for an efficient tax system.

- The Canada-Saskatchewan Business Service Centre (CSBSC) provided pathfinding services through 12,303 client interactions and 65,515 web hits. The CSBSC also made 53 immigrant entrepreneur presentations to 190 participants.

Measurement Results:

Capital Investment in Saskatchewan



*Preliminary estimate.
Source: Statistics Canada, CANSIM Table 029-0005.

- Capital investment measures the cost of leasing, purchasing, constructing, installing, repairing and maintaining durable plant, machinery and equipment. Capital investment plans not only indicate management views of future prospects for their industry, but also signal the level of satisfaction with the provincial business environment.

- In 2010, capital investment in Saskatchewan increased by 6.1 per cent over 2009 levels. Growth in Saskatchewan was less pronounced than in most provinces, given that investment here did not suffer the same precipitous declines that other provinces experienced during the 2009 recession.

Improve the ease of doing business in Saskatchewan by reducing regulatory barriers and enhancing service delivery.

Results:

- The Red Tape Reduction Initiative (RTRI) was highlighted in the October 2010 throne speech. The RTRI includes a review of all business-related regulations by a new Legislation and Regulation Review Sub-committee chaired by the Minister of Enterprise, an ongoing 10-year review of business-related regulations, the implementation of sunset clauses, twice annual effective dates for introduction of new regulations, and regulatory impact analysis for new or amended regulations.

- In collaboration with other ministries and Crowns, ES released the 2010 Regulatory Modernization Progress Report in January 2011 in conjunction with Red Tape Awareness Week. ES worked with other ministries, agencies and Crowns to adopt service standards, expand online services for business and expand one-stop services.

- ES worked with Information Services Corporation (ISC) and other partners to develop a one-stop business registration website. The first phase of Business Registrations Saskatchewan has been launched by ISC and its partners.

- Saskbiz was updated with 2006 census data, and a project charter is being finalized to introduce additional geographic information system (GIS) capabilities.

- BizPaL was expanded by adding 41 jurisdictions (102 total), 65 business types (568 total) and 246 approvals (452 total).

Provide effective economic development programs and services.

Results:

- The Invest in Saskatchewan program, an Enterprise and Innovation program, encourages Saskatchewan employees and individuals to invest in funds or pools of capital called Labour-Sponsored Venture Capital Corporations (LSVCCs). These LSVCCs invest in Saskatchewan-based, small and medium-sized businesses. In February/March 2011, ES worked with the Saskatchewan Economic Development Association (SEDA) to launch a marketing campaign for the Employee Ownership Program (EOP) portion of Invest in Saskatchewan. The campaign included general print and online advertising using testimonials from companies that have implemented the EOP. It also included ads in weekly newspapers promoting EOP workshops being conducted by SEDA.

- The Community Development Trust Fund (CDTF) and the Western Economic Partnership Agreement (WEPA) were used to support high-impact economic development projects. ES approved four additional projects for $5.9 million under the CDTF in 2010-11. The CDTF has now been fully allocated. In total, 26 economic development plans and infrastructure projects valued at $23 million were approved through the CDTF.

- Contracts were signed for nine WEPA projects in 2010-11, representing $4.2 million in provincial funding. The current WEPA program, which expires in 2013, is now 86 per cent committed. To date, the current WEPA has leveraged $27.5 million in federal and other partner funding on $20.6 million in provincial funding commitments.

- All 13 Enterprise Regions (ERs) were provided with licences to utilize the synchronist software for data entry originating from their Business Retention and Expansion interviews; 1,258 business interviews were conducted and included in the annual rollup of data. Training on the software was provided to the ERs and ES via webinars. Funding support was provided to SEDA for the Grow Our Region website, established to provide access to economic tools and best practices.

- ES administers the Small Business Loans Association (SBLA) program, an Enterprise and Innovation program, which provides capital loans up to $15,000 to local businesses. In 2010-11, $2.85 million in loans was distributed by local loans associations, which created 473 new jobs.

- ES conducted a marketing campaign in fall 2010 to promote SBLAs in business publications, weekly newspapers and online. Loan activity has increased slightly from the previous year. Eight administrator and eight board training workshops have been completed.

- The Youth Opportunities Unleashed (YOU) program is an enhancement to the SBLA program that provides additional training and support to young entrepreneurs, aged 18 to 34. Eighty-two loans for a combined total of $1,104,286 were made to YOU clients in 2010-11.

- The Ethanol Fuel Grant program, an Enterprise and Innovation program, supports the development of the ethanol industry in Saskatchewan. Approximately $23.8 million was provided to six ethanol distributors during the 2010-11 fiscal year. This represents ethanol production of approximately 242 million litres.

Measurement Results:

Invest in Saskatchewan Program Results

	2010-11	Program to-Date (1989-2011)
Employee Funds		
Number of registrants	6	31
Funds invested	$42,680	$10,423,827
Funds raised	$521,902	$10,773,147
Provincial tax credits issued	$101,438	$2,111,722
Jobs created or maintained (gross)	43	1,783
Provincial Pool Funds		
Funds raised	$75,697,851	$408,087,510
Number of investors	25,263	132,377
Number of investments	48	448
Number of companies funded	24	156
Funds invested	$67,048,670	$325,169,618
Provincial tax credits issued	$15,226,142	$81,440,135
National Pool Funds		
Funds raised	$114,048	$190,075,978
Number of investors	96	72,457
Number of investments	0	68
Number of companies funded	0	23
Funds invested	$0	$95,781,446
Provincial tax credits issued	$22,310	$31,786,498

Source: Enterprise Saskatchewan

Small Business Loans Association Program Results

	2006-07	2007-08	2008-09	2009-10	2010-11
# of loans	378	365	341	257	262
Loan amount ($ millions)	4.08	4.18	3.82	2.81	2.85
Jobs created	575	600	558	476	473
Jobs maintained	797	648	574	404	305

Source: Enterprise Saskatchewan

- Saskatchewan's two provincial pool funds are well-established and showed continued strong performance in 2010-11 in terms of raising and deploying capital.

- SBLA loan activity increased by approximately two per cent in 2010-11.

Foster a culture of entrepreneurship.

Results:

- An entrepreneurship strategy has been developed based on five commonly identified hurdles for entrepreneurs: financing, mentorship, education, pathfinding and competitiveness. ES is also leading work to improve the provincial system for developing entrepreneurs. Collaborative Strategies, LLC was engaged to analyze a sample of Saskatchewan entrepreneurs and service providers and to make recommendations for building a provincial operating system to develop entrepreneurs' skills and assist them in moving to a higher level of business growth.

- ES is working with Innovation Saskatchewan to create a better environment for commercializing Saskatchewan innovations. New programs and services are being developed to promote and enhance innovation and commercialization of new products and services, and Innovation Saskatchewan's budget for 2011-12 has been increased by 167 per cent.

- ES has partnered with the Ministry of Education and the Canadian Foundation for Economic Education to introduce additional tools for building competencies in entrepreneurship, financial and economic literacy in the core K-12 curriculum. Stakeholder advisory groups have been formed to identify the key elements that need to be included. ES also partnered with Junior Achievement of Saskatchewan to expand delivery of its Student Ventures program, which provides participating high school students with opportunities to experience starting and operating a business.

- A business plan for virtual mentorship was completed. More work will be done to determine a comprehensive approach to mentorship and the place of virtual mentorship within the larger context.

- ES began to develop educational and promotional tools on business succession planning. The tools will be finalized and published in the first half of 2011-12.

- Research was conducted on the need for a tool that matches potential small and medium-sized enterprise buyers and sellers.

Increase First Nations and Métis involvement in the economy as partners.

Results:

- The Canada-Saskatchewan Business Service Centre (CSBSC) manages the Aboriginal Services Network, which makes business information more accessible to First Nation and Métis communities and helps Métis and First Nation entrepreneurs find the information they need to set up or grow a business.

- Seven of the ERs are actively involved in initiatives to increase Aboriginal participation in their regions.

- ES has assisted the Clarence Campeau Development Fund to identify possible investment projects and joint venture opportunities in Saskatchewan resource development.

- ES secured funding for the establishment of Saskatchewan Indian Institute of Technology's Aircraft Maintenance and Engineering Centre in Saskatoon through Industry Canada's Industrial and Regional Benefits Policy.

- ES supported several Aboriginal economic development events such as the Prince Albert MinExplo Expo, a business forum focused on communicating opportunities in Saskatchewan's mineral sector.

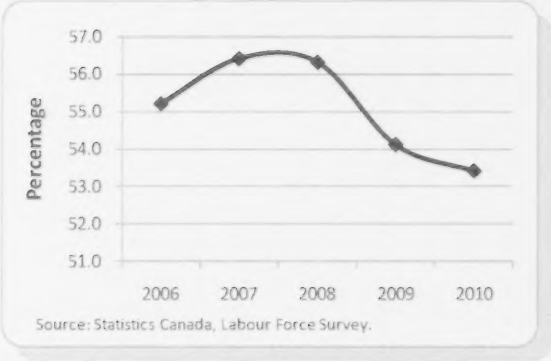
- In March 2011, ES conducted a marketing campaign in Aboriginal print publications to encourage Aboriginal businesses to enroll in the Aboriginal Business Directory (ABD). As of March 31, there are 214 businesses in the ABD. ES has also met with various Aboriginal organizations to increase awareness of major projects and link them to the correct development personnel.

- ES participated on various inter-ministry committees with a focus on Aboriginal economic development in agriculture, resources, urban initiatives and Métis economic development.

- Aboriginal economic development has also been served by the Community Development Trust Fund (CDTF), since many of the beneficiaries of CDTF projects are northern communities.

Measurement Results:

Saskatchewan Off-Reserve Aboriginal Employment Rate



- The Aboriginal employment rate is a high-level indicator of how successfully Aboriginal people are being integrated into the provincial economy. Achieving higher Aboriginal employment rates is a central element in strategies to meet future labour market needs in Saskatchewan.

- Saskatchewan's off-reserve Aboriginal employment rate has been declining since 2007, reaching 53.4 per cent in 2010. The general provincial employment rate declined marginally from 66.5 per cent to 66.3 per cent over the same time period.

Diversify the provincial economy by increasing value-added production to sustain economic growth.

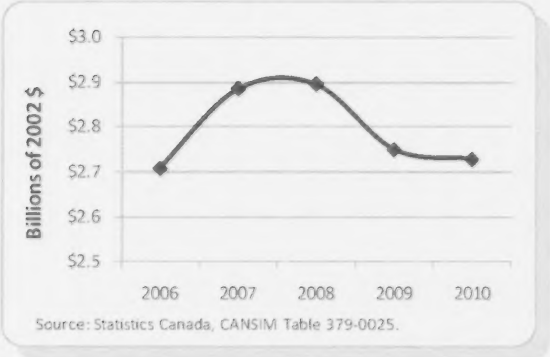
Results:

- Twelve recommendations were advanced by sector teams and strategic issues councils to build on sector strengths and reduce barriers to growth.

- Funding was renewed for Communities of Tomorrow, a public-private partnership with the mission of making Saskatchewan a global leader in the field of innovative sustainable municipal infrastructure.

Measurement Results:

Saskatchewan Manufacturing Sector Real GDP



- Manufacturing sector real GDP indicates changes in value-added production levels. Output is expressed in 2002 dollars to control for price fluctuations. It measures the combined performance of Saskatchewan's manufacturing industries.

- Depressed markets in the United States for Saskatchewan's manufactured goods, combined with a high Canadian dollar, resulted in a marginal decrease of 0.7 per cent in manufacturing sector real GDP for 2010.

Help to close Saskatchewan's labour market supply and demand gap.

Results:

- ES is working with the Saskatoon Industry Education Council (SIEC) and other ministries to potentially expand its career education programs and services for high school students. These programs provide an effective way for industry to communicate career opportunities to young people and help young people chart a course to a successful career.

- ES partnered with Advanced Education, Employment and Immigration (AEEI) and the Saskatchewan Chamber of Commerce to launch a Labour Market Task Force (LMTF), which will provide recommendations on actions to close labour market supply and demand gaps.

- ES is working closely with AEEI and the LMTF and sector teams to begin development of a provincial labour market strategy.

- ES worked with the Saskatchewan Mining Association, the two universities and SIAST to organize out-of-province recruitment events targeted at alumni. The three mining companies participating reported they were satisfied with the number of prospects and hires they made as a result.

- All ERs engaged in business retention and expansion activities this past year with the majority of them conducting business interviews. The 1,258 interviews carried out this year provided valuable input on workforce and labour market development for each region. Initiatives are being developed as a result of the findings.

A number of ES's activities are associated with government's goal to "Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy."

Facilitate greater participation of Saskatchewan's young people in the economy.

Results:

- In collaboration with the Youth Economic Engagement Council, a provincial youth strategy was developed. Additional consultation with other ministries and potential partners will be undertaken in 2011-12 to prioritize the strategy's recommendations for implementation.

- The Pacific Institute's PX2 leadership training was delivered to 178 youth throughout the province in 10 training sessions. PX2 training equips young people with greater self-confidence, self-esteem and a greater ability to set and achieve goals.

- ES provided assistance in forming new regional chapters of Saskatchewan Young Professionals and Entrepreneurs (SYPE) and promoting the organization throughout the province. SYPE membership has grown to 570 members provincially, a 50 per cent increase in membership from the previous year. There are now seven SYPE chapters in Saskatchewan.

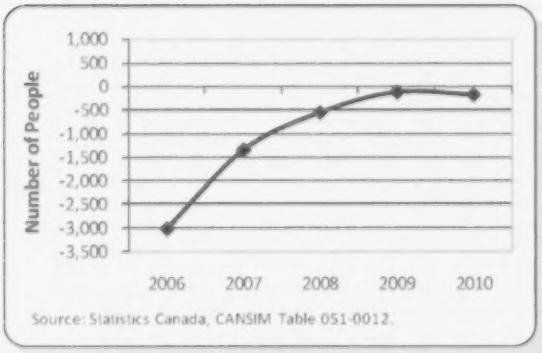
- CSBSC provides monetary sponsorship to its Regional Access Partner sites to offset their costs for youth conferences, Youth Business Excellence Awards and other events that promote entrepreneurship as a career option to Saskatchewan youth.

- A new online competition for young entrepreneurs was initiated this year, and four finalists have been selected. The VOLTA Award winner will be announced at the SYPE Silver Spade Awards in June 2011.

- ES is working with the SIEC to expand its successful career education programs and services for high school students to other areas of the province. The FuturePaths website has been enhanced and career information for the oil and gas industry has been added. Work is underway to add career profiles and labour market information for seven new industry sectors.

Measurement Results:

Saskatchewan Net Interprovincial Youth Migration (15-24 years of age)



Source: Statistics Canada, CANSIM Table 051-0012.

- Interprovincial youth net migration trends indicate how successful Saskatchewan is at retaining its young people. If youth are engaged in the economy and have positive perceptions of opportunities in Saskatchewan, they will more likely stay in the province.

- Only twice in the last 30 years has Saskatchewan's net interprovincial youth migration been positive. Outmigration has been declining since 2005, but net youth migration figures in 2010 remained slightly negative.

Accelerate the growth of sustainable energy industries.

Results:

- The provincial government approved 18 out of the 20 recommendations of the Uranium Development Partnership — which resulted from an ES board recommendation — and has recently announced funding for the establishment of a new nuclear centre of excellence, a cyclotron research facility and a PET/CT scan facility.

- ES led development of the five-year, $26-million Saskatchewan Renewable Diesel Program to support production of renewable diesel and secured a mandate for inclusion of two per cent renewable content in the average annual diesel pool for Saskatchewan fuel distributors, beginning July 2012.

- ES facilitated partnerships between SaskPower and the private sector that resulted in the announcement of the $1.24-billion Boundary Dam Integrated Carbon Capture and Storage Demonstration Project. The project will transform an aging generating unit at the Boundary Dam Power Station into a producer of reliable, clean electricity. Operations are expected to begin in 2014.

- ES is providing input to the development of offset protocols for biofuels and the Biomass Utilization Strategy, which are being led by the Ministry of Environment and the Ministry of Energy and Resources, respectively.

ES helps accomplish government's goal to "Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan."

Increase federal funding support for Saskatchewan's economic infrastructure.

Results:

- ES partnered with the federal government on the Planning for Growth initiative, which provided $1.1 million for municipal planning initiatives in the ERs. ES also assisted ERs in obtaining federal funding from Western Economic Diversification Canada and Agriculture and Agri-Food Canada for regional economic development projects.

- ES partnered with the federal government to support the Growing Saskatchewan conference, which was held in late October 2010. The conference focused on enhancing collaboration among economic development practitioners and building their skills. The conference had 240 registered delegates and received positive feedback.

- Two representatives from ES participate on Rural Team Saskatchewan to promote the formation of linkages and partnerships.

Improve the effectiveness and efficiency of the agency's programs and services so as to ensure the best use of public funds.

Results:

- ES has implemented a practice of doing independent reviews of programs followed by a LEAN initiative to improve program operations.

- Value-stream mapping (VSM) has been completed for the delegated signing authority process the Minster Referral process, and the board recommendation process. The delegated signing authority process improvements are 60 per cent implemented. Three Kaizen events are scheduled for May/June 2011 to complete this implementation.

- VSM events are scheduled for the Invest in Saskatchewan progam and the SBLA program for April and May 2011.

- Sector Team structure was evaluated, resulting in recommendations to consolidate and refocus Sector Team efforts.

- Semi-annual Board Progress Reports were published on schedule. Ongoing progress reports on board recommendations are now published online.

- The second annual Performance Indicators for Saskatchewan's Economy report was published and made available on the ES website.

Mandate Letter Commitments not addressed in the Work Plan:

- Attract eight to 12 new corporate investments and at least two major head office expansions.

Enterprise Saskatchewan (ES)

The agency's original revenue budget for 2010-11 was $37.036 million consisting of revenue from the provincial government's General Revenue Fund (GRF) to provide funding for operations. Actual revenue received totalled $39.732 million, generating a variance of $2.696 million. This variance primarily consisted of an additional $3 million for additional Community Development Trust Fund projects offset by a $450,000 refund to the GRF for operational savings. Other revenue is predominantly the result of service level agreements with other government organizations for shared costs.

Actual expenditures in 2010-11 were $42.04 million, producing a variance of $5.004 million above an expense budget of $37.036 million. The additional expenditures drew upon the accumulated surplus ES carried forward from 2009-10. The increase in costs are mainly attributed to expenditures in the Western Economic Partnership Agreement program, where budget funding from the provincial government was delayed to allow a draw down on restricted reserves. Further expenditure variances were for contracts such as the national marketing campaign partially offset by administrative savings and vacancy management.

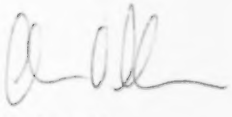
ES had a decrease in the accumulated surplus in 2010-11 of $2.308 million, for a balance of $16.984 million. A total of $14.059 million of the accumulated surplus is being held as designated assets for program commitments that overlap fiscal years. The remaining accumulated surplus will be used for ongoing contractual obligations and operational requirements.

REPORT OF MANAGEMENT

To the Members of the Legislative Assembly of Saskatchewan

The accompanying financial statements are the responsibility of the management of Enterprise Saskatchewan. They have been prepared in accordance with Canadian public sector accounting standards, using management's best estimates and judgments, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the agency's financial statements in accordance with Canadian generally accepted auditing standards and their report follows.



Chris Dekker
Chief Executive Officer
May 31, 2011

Denise Haas, CMA
Chief Financial Officer
May 31, 2011

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Enterprise Saskatchewan, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

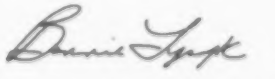
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Enterprise Saskatchewan as at March 31, 2011, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Regina, Saskatchewan
May 31, 2011

Bonnie Lysyk, MBA, CA•CIA
Provincial Auditor

Enterprise Saskatchewan
Statement of Financial Position
as at March 31

	(thousands of dollars) 2011	2010
Financial Assets		
Due from General Revenue Fund (Note 3)	$ 21,747	$ 24,639
Accounts Receivable	18	372
	21,765	25,011
Liabilities		
Accounts Payable and Accrued Liabilities	5,134	5,964
Net Financial Assets (Statement 3)	16,631	19,047
Non-financial Assets		
Tangible Capital Assets	331	228
Prepaid Expenses	22	17
	353	245
Accumulated Surplus (Statement 2)	$ 16,984	$ 19,292

(See accompanying notes to the financial statements)

Enterprise Saskatchewan
Statement of Operations and Accumulated Surplus
for the Year Ended March 31

(thousands of dollars)

	Annual Budget 2011	Actual 2011	Actual 2010
Revenue			
Grants from the General Revenue Fund	$ 37,036	$ 39,586	$ 45,406
Other	-	146	1,989
	37,036	39,732	47,395
Expenses			
Administration	8,864	7,051	7,943
Regional Enterprise	3,180	3,666	2,837
Marketing and Communications	3,365	5,161	5,315
Competitiveness and Strategy	2,319	2,124	1,862
Sector Development and Innovation	4,095	4,607	4,044
Investment Programs	15,213	19,431	17,425
	37,036	42,040	39,426
Annual (Deficit) Surplus	$ -	$ (2,308)	$ 7,969
Accumulated Surplus, Beginning of Year		19,292	11,323
Accumulated Surplus, End of Year (Statement 1)		$ 16,984	$ 19,292

(See accompanying notes to the financial statements)

Enterprise Saskatchewan
Statement of Change in Net Financial Assets
for the Year Ended March 31

	(thousands of dollars) 2011	2010
Annual (Deficit) Surplus	$ (2,308)	$ 7,969
Acquisition of Tangible Capital Assets	(211)	(228)
Amortization of Tangible Capital Assets	108	-
(Increase) Decrease in Prepaid Expenses	(5)	4
(Decrease) Increase in Financial Assets	$ (2,416)	$ 7,745
Net Financial Assets, at Beginning of Year	19,047	11,302
Net Financial Assets, at End of Year (Statement 1)	$ 16,631	$ 19,047

(See accompanying notes to the financial statements)

Enterprise Saskatchewan
Statement of Cash Flows
for the Year Ended March 31

	(thousands of dollars) 2011	2010
Cash (Used in) Provided by Operating Activities		
Cash Receipts from General Revenue Fund	$ 39,586	$ 45,406
Cash Receipts from Other Operating Activity	146	701
Cash Paid to Suppliers and Employees	(42,413)	(35,755)
Cash (Used in) Provided by Operating Activities	$ (2,681)	$ 10,352
Cash Used in Capital Activities		
Purchase of Tangible Capital Assets	(211)	(228)
(Decrease) Increase in Cash Equivalents	(2,892)	10,124
Due from General Revenue Fund, Beginning of Year	24,639	14,515
Due from General Revenue Fund, End of Year	$ 21,747	$ 24,639

(See accompanying notes to the financial statements)

1. Status of Enterprise Saskatchewan

Enterprise Saskatchewan was established under the provisions of *The Enterprise Saskatchewan Act* proclaimed on July 29, 2008.

Enterprise Saskatchewan was created to further the economic goals of the Government of Saskatchewan. Enterprise Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

2. Significant Accounting Policies

These financial statements are prepared using Canadian Public Sector Standards appropriate for the public sector and reflect the following significant accounting principles:

a) Revenue

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue.

b) Expenses

Expenses represent the cost of resources consumed during the year for operations and grants made to third-party organizations. Grants are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

c) Non-financial Assets

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge existing liabilities unless they are sold.

d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Standards principles for the public sector requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

e) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Vehicles	5 years
Computer Software	3 years/life of warranty
Computer Hardware	5 years
Computer System Development	5 years
Non-Electronic Office Equipment	5 years

Electronic Office Equipment	3 years
Communication System Development	3 years

3. Due from the General Revenue Fund

Enterprise Saskatchewan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. No interest is paid on Enterprise Saskatchewan's average daily account balance.

4. Budget Approval

Enterprise Saskatchewan's 2010-11 budget was approved by the Board on June 24th, 2010 and appears on Statement 2.

5. Related Parties

These financial statements include routine transactions with related parties. Enterprise Saskatchewan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Government Services provides accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications and mail distribution to Enterprise Saskatchewan without charge. The Public Service Commission provides Enterprise Saskatchewan with human resource administration and payroll services without charge.

Since November 1, 2008, Enterprise Saskatchewan provided the Minister of Enterprise with ongoing administration of the Small Business Loans Association program, Ethanol Fuel (grant) program, and the Labour-sponsored Venture Capital Corporations program without charge.

Related party transactions to March 31 include the following:

Related Parties

(thousands of dollars)

	2011	2010
Accounts Receivable	$ -	$ 290
Accounts Payable and Accrued Liabilities	597	-
Other Revenue	54	300
Expenses	6,806	5,449

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Enterprise Saskatchewan pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

6. Financial Instruments

Enterprise Saskatchewan's financial instruments include: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

7. Expense by Object

(thousands of dollars)

Expenses	March 31, 2011	March 31, 2010
Goods and Services	$ 8,890	$ 8,222
Grants and Transfers	21,010	18,611
Salaries and Benefits	11,267	11,775
Amortization	108	-
Travel	765	818
	$ 42,040	$ 39,426

8. Contractual Obligations

Contractual obligations include:

Enterprise Saskatchewan has lease agreements primarily with the Ministry of Government Services, a related party, for office space.

Enterprise Saskatchewan has operating agreements that enable day-to-day operations of the agency.

Enterprise Saskatchewan has program related obligations to expand innovation and enhance the competitive ability of the Saskatchewan economy such as Western Economic Partnership Agreement, Strategic Investment Fund, Community Development Trust Fund, Enterprise Regions and Saskatchewan Trade and Export Partnership.

(thousands of dollars)

	Leases	Operational	Programming	Total
2011-12	860	1,128	35,079	37,067
2012-13	814	53	11,681	12,548
2013-14	709	38	5,562	6,309
2014-15	485	24	413	922
2015-16	485	-	-	485
	$ 3,353	$ 1,243	$ 52,735	$ 57,331

Contractual obligations do not include those contracts which are paid on a usage basis.

9. Designated Assets (thousands of dollars)

Enterprise Saskatchewan is holding $14,059 as designated assets to be spent on the following programs in the future years.

- Enterprise Regions $199
- Western Economic Partnership Agreement $594
- Community Development Trust Fund $13,203
- Strategic Investments Fund $63

10. Tangible Capital Assets

(thousands of dollars)

	Communication System Development	Leasehold Improvements	2010-11 Totals	2009-10 Totals
Opening Cost	$ 228	$ -	$ 228	$ -
Additions during the year	131	80	211	228
Closing Cost	359	80	439	228
Opening Accumulated Amortization	-	-	-	-
Amortization for the Year	92	16	108	-
Closing Accumulated Amortization	92	16	108	-
Net Book Value of Tangible Capital Assets	$ 267	$ 64	$ 331	$ 228

Enterprise and Innovation Programs

Since November 1, 2008, ES has provided the Minister of Enterprise with ongoing administration of the Enterprise and Innovation Programs including the Small Business Loans Association (SBLA) program, Ethanol Fuel Grant program, and the Invest in Saskatchewan program. For each of these programs, the Ministry of Finance authorized and disbursed the related payments from the GRF and recorded the receipt of cash into the GRF.

Expenditures

The original appropriation budget for Enterprise and Innovation Programs in 2010-11 was $9.547 million; special warrants and supplementary estimates were received totalling $14.853 million for the reinstatement of the ethanol program. The revised total appropriation for Enterprise and Innovation Programs as a result of these ethanol increases was $24.4 million. Actual expenditures in 2010-11 were $24.114 million, producing a variance of $286,000 below the revised budget. This is attributed to a $147,000 over expenditure on the Ethanol Fuel Tax Rebate program offset by savings of $433,000 realized in the SBLA program due to lower interest rates and reduced uptake.

For each program within Enterprise and Innovation Programs, ongoing administration included the following:

- For the SBLA program, ES processed new loans of $2.854 million, collected loan repayments of $3.496 million, and monitored existing loans totalling $8.991 million at March 31, 2011.
- For the Ethanol Fuel Grant program, ES processed expenditures of $23.8 million.
- For the Invest in Saskatchewan program, ES processed tax credits of $15.3 million and recovered tax credits of $197,000. The total new capital of $76 million is being monitored for investment pacing requirements.

Revenue

Enterprise and Innovation Programs reports revenue from the SBLA program related to application fees submitted by loan applicants, imputed interest revenue based on the amount of loan funds disbursed to clients each fiscal year and reimbursement of miscellaneous revenue. All revenue received is deposited in the General Revenue Fund. A summary of the Enterprise and Innovation Programs 2010-11 comparison of budgeted revenue to actual revenue follows later in this report.

Enterprise and Innovation Programs — Schedule of Expenses (unaudited)

In thousands of dollars Expenses	2010-11 Estimates	2010-11 Actual	Variance Over/(Under)	2009-10 Actual	Variance Notes
Investment Programs (EI03)					
Small Business Loans Association - Concessionary Allowance	$ 267	$ 196	(71)	$ 187	1
Small Business Loans Association - Loan Loss Provision	$ 480	$ 118	(362)	(25)	2
Ethanol Fuel Tax Rebate	$ 8,800	$ 23,800	$ 15,000	$ 22,334	3
Subtotal	**$ 9,547**	**$ 24,114**	**$ 14,567**	**$ 22,496**	4
Budget Appropriation	$ 9,547	$ 24,114	$ 14,567	$ 22,496	
Special Warrant/Supplementary Estimates	$ 14,835	$ -	(14,835)	$ -	
Total Appropriation	$ 24,400	$ 24,114	(286)	$ 22,496	
Capital Asset Acquisitions	$ -	$ -	$ -	$ -	
Capital Asset Amortization	$ -	$ -	$ -	$ -	
Total Expenses	**$ 24,400**	**$ 24,114**	**(286)**	**$ 22,496**	
Total Revised Estimates and Expenses	**$ 24,400**	**$ 24,114**	**(286)**	**$ 22,496**	

These financial schedules have been prepared in accordance with the government's accrual accounting policies.

Financial Schedules – Notes

Expenditures

1. Lower interest rates and reduced utilization under the Small Business Loans Association program.
2. Reduced utilization under the Small Business Loans Association program.
3. Ethanol Fuel Tax Rebate program over-expenditure due to the reinstatement of the program.
4. Special warrants and supplementary estimates were received for the reinstatement of the Ethanol Fund Tax Rebate program.

Enterprise and Innovation Programs — Third Party Funding 2010-11 Threshold $25,000

Third Party Funding (Transfers)	Amount ($ Thousands)	Description
Small Business Loans Associations	$ 196	SBLAs are community-run organizations that provide loans of up to $15,000 to entrepreneurs who have difficulty finding financing through traditional means.
Ethanol Fuel Tax Grants	$ 23,800	Funding to support the development of an ethanol industry in the province.
Total	**$ 23,996**	

Revenues

Enterprise and Innovation Programs reports revenue from the Small Business Loans Association program related to application fees submitted by loan applicants, imputed interest revenue based on the amount of loan funds disbursed to clients each fiscal year and reimbursement of miscellaneous revenue. All revenue received is deposited in the General Revenue Fund. Below is a summary of the Enterprise and Innovation Programs 2010-11 comparison of budgeted revenue to actual revenue.

Enterprise and Innovation Programs — Revenue Schedule (unaudited)

In thousands of dollars	2010-11 Estimates	2010-11 Actual	Variance Over/(Under)	Variance Notes
Other Interest Revenue	$ 357	$ 297	$ (60)	1
Sales, Services and Service Fees	$ 30	$ 17	$ (13)	
Other Revenue	$ 117	$ 1,322	$ 1,205	2
Total Revenue	**$ 504**	**$ 1,636**	**$ 1,132**	

Financial Schedules – Notes

Explanations of variances exceeding $25,000 between Estimates and Actuals.

1. Variance due to a decrease in the provincial five-year cost of borrowing rate and a reduction of Small Business Loans Association program disbursements.

2. Primarily attributed to refunding prior years' Ethanol payable estimate.

FOR MORE INFORMATION

This report provides information about our accomplishments and our future plans. If you have any additional questions or comments or would like a copy of the report, we invite you to call (306) 787-6315.

Or contact:

Enterprise Saskatchewan
Communications
300 - 2103 – 11th Avenue
Regina, SK S4P 3Z8

Or send us an e-mail through our website: www.enterprisesaskatchewan.ca

Visit our website to find out about:

- ES Key Actions and Results tables
- 2011-12 Provincial Budget documents
- Plan for 2011-12
- Programs and services

Small Business Loans Association Program

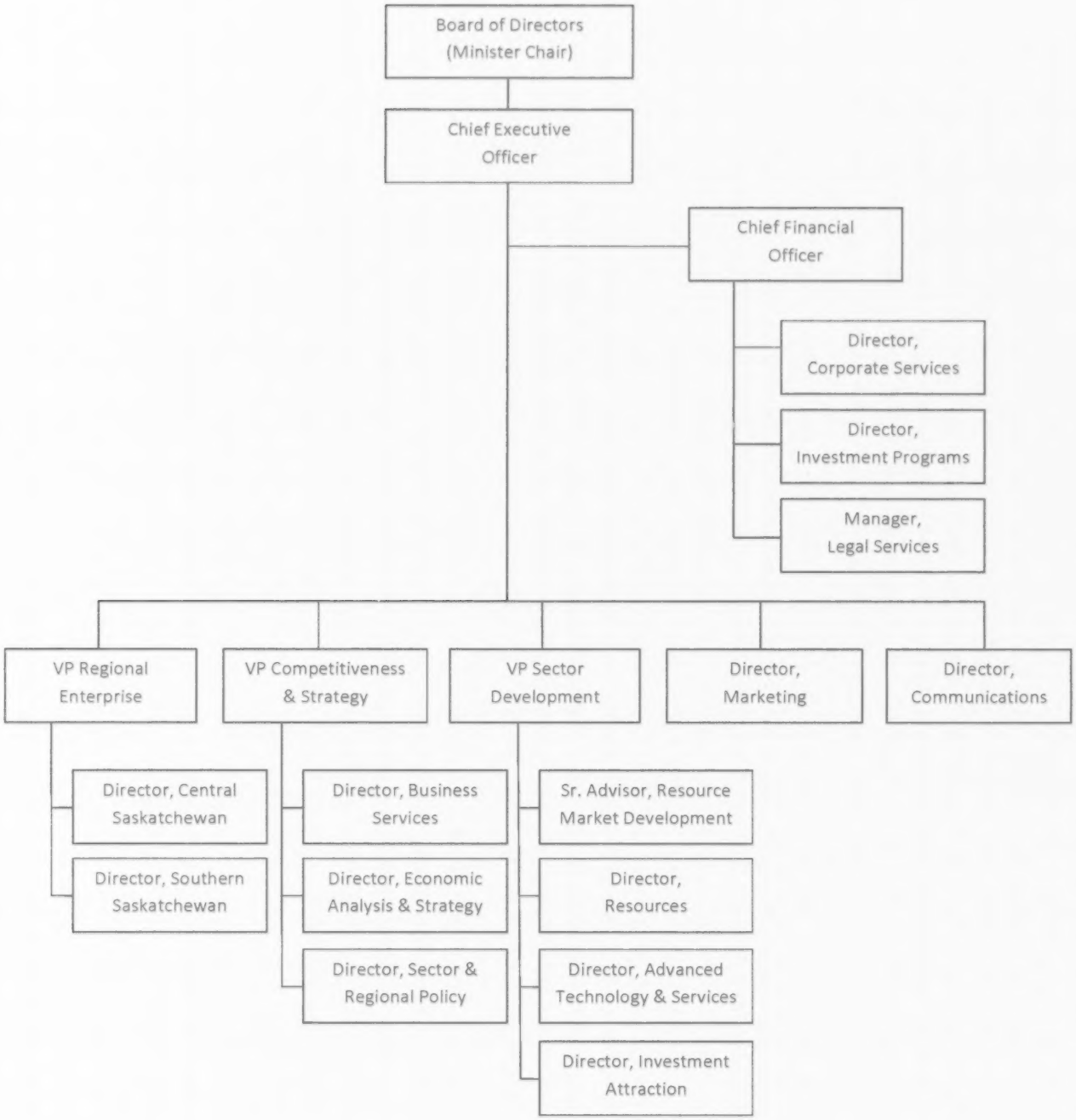
The Small Business Loans Association (SBLA) program was established in 1989. SBLAs, which are community-run organizations, may access interest-free revolving lines of credit of up to $200,000. An SBLA then uses this line of credit to make loans of up to $15,000 to individual businesses. The program encourages the diversification of the province's economy and supports economic development by providing funding to entrepreneurs and small businesses.

	Budget ($000s)	Actual ($000s)	Variance Over/(under) ($000s)
Beginning Balance	10,240	10,240	0
Additions - Loan Disbursements	4,000	2,854	1,146
Less Reductions:			
- Loan Loss Provision Balance	2,866	2,278	588
- Imputed Interest Costs Balance	685	613	72
- Client Remittances and Bad Debt Expense	5,400	4,426	974
Ending Balance	5,289	5,777	(488)

Explanation of Variance

The number of SBLA loans in 2010-11 was lower than budget resulting in a higher ending balance than anticipated.

ORGANIZATIONAL CHART (AS OF MARCH 31, 2011)



"It's an amazing resource. Every time I had a question, I knew where to go first. And if they didn't have the answer, they knew where to point me."

- Lydia Moss
A Bit More Hip Apparel Ltd.

CANADA-SASKATCHEWAN BUSINESS SERVICE CENTRE (CSBSC)

CSBSC promotes enterprenurship and innovation by providing assistance to new and existing businesses, like A Bit More Hip Apparel Ltd. The goal at CSBSC is to provide entrepreneurs with the resources they need to start, grow and prosper, including a wide range of information on government services, programs and regulations.

ENTERPRISE SASKATCHEWAN
2010-11 SUCCESS STORIES

STARS

With the help of the ES board and the Energy Sector Team, the province has signed a service agreement with the Shock Trauma Air Rescue Society (STARS), a non-profit organization that provides rotary wing air medical transportation.

"We are excited to work alongside the existing emergency services and health care providers in the province."

- Dr. Greg Powell, President and CEO
  STARS

PROCUREMENT FORUM

"The Strategic Business Overview & Procurement Forum was the direct result of a recommendation made by the ES Information Technology & Electronics Sector Team to the ES board. The forum provided Saskatchewan information technology, manufacturing, engineering, construction and service companies with key procurement contacts from our Crown corporations and ministries and, for the first time, an overview of the long-term business plans of these organizations. With over 250 people attending, the forum has created a greater understanding of industry's capabilities and the government's needs, including the impact of the New West Partnership."

- Dale Lemke, President
  Display Systems International
  Former Chair of the ES Information Technology & Electronics Sector Team

ES LEAN INITIATIVE

ES has implemented LEAN in order to examine processes and eliminate waste and steps that do not add value to our programs and services. This will help ES to achieve our corporate goals, better serve our customers and deal with workload pressures. As of March 31, 2011, ES had completed value stream mapping for three processes.

PIER

One of the main focuses of the Enterprise Regions is to implement Business Retention & Expansion programs in their regions with the help of the Saskatchewan Economic Development Association.

"Prairie Innovation Enterprise Region (PIER) has played a pivotal role in our region by building strong industry partnerships that will assist in ensuring access to a strong labour pool, create affordable housing in our communities and expand our industry capacity. The Enterprise Saskatchewan-owned BR&E Synchronist framework was effective in identifying that over 50 per cent of our primary industry is expecting expansion and will form the platform for a Business Capacity Listing Project to assist industry to work with local suppliers."

- Joanne Forer, Chair
  PIER Board

RENEWABLE DIESEL PROGRAM

A renewable diesel program, which began as an ES board recommendation, was introduced in the 2011-12 provincial budget. It provides $26 million over the next five years in direct incentives to eligible renewable diesel producers.

"This provincial mandate along with the recent federal government's biofuels announcement helps to ensure that alternative energy programs and opportunities are shared initiatives across the country. The residents of Saskatchewan should feel good about their government's decision to participate in the efforts to reduce greenhouse gas emissions in Canada. "

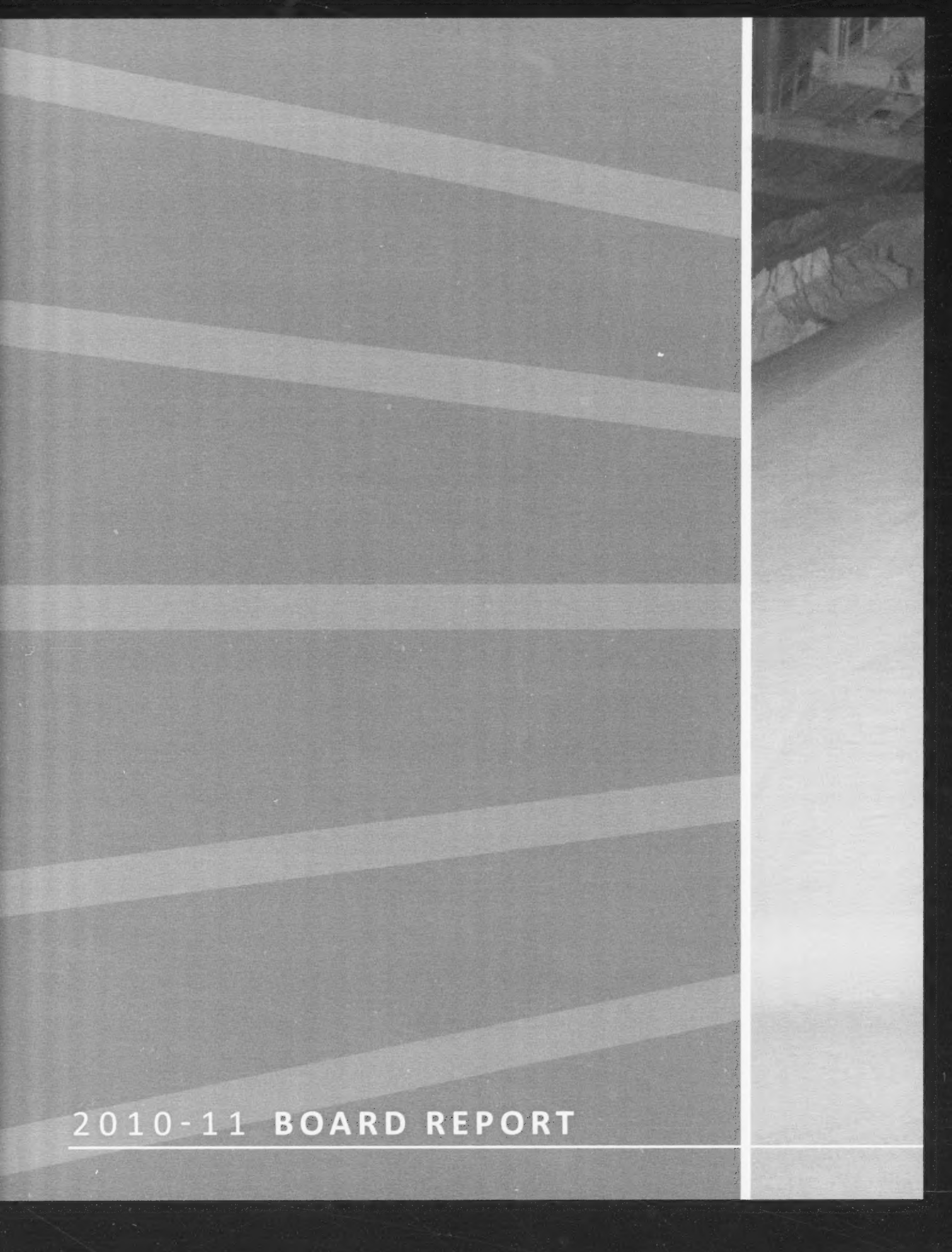
- Joe Holash, President and CEO
  Milligan Bio-Tech Inc.

SYPE

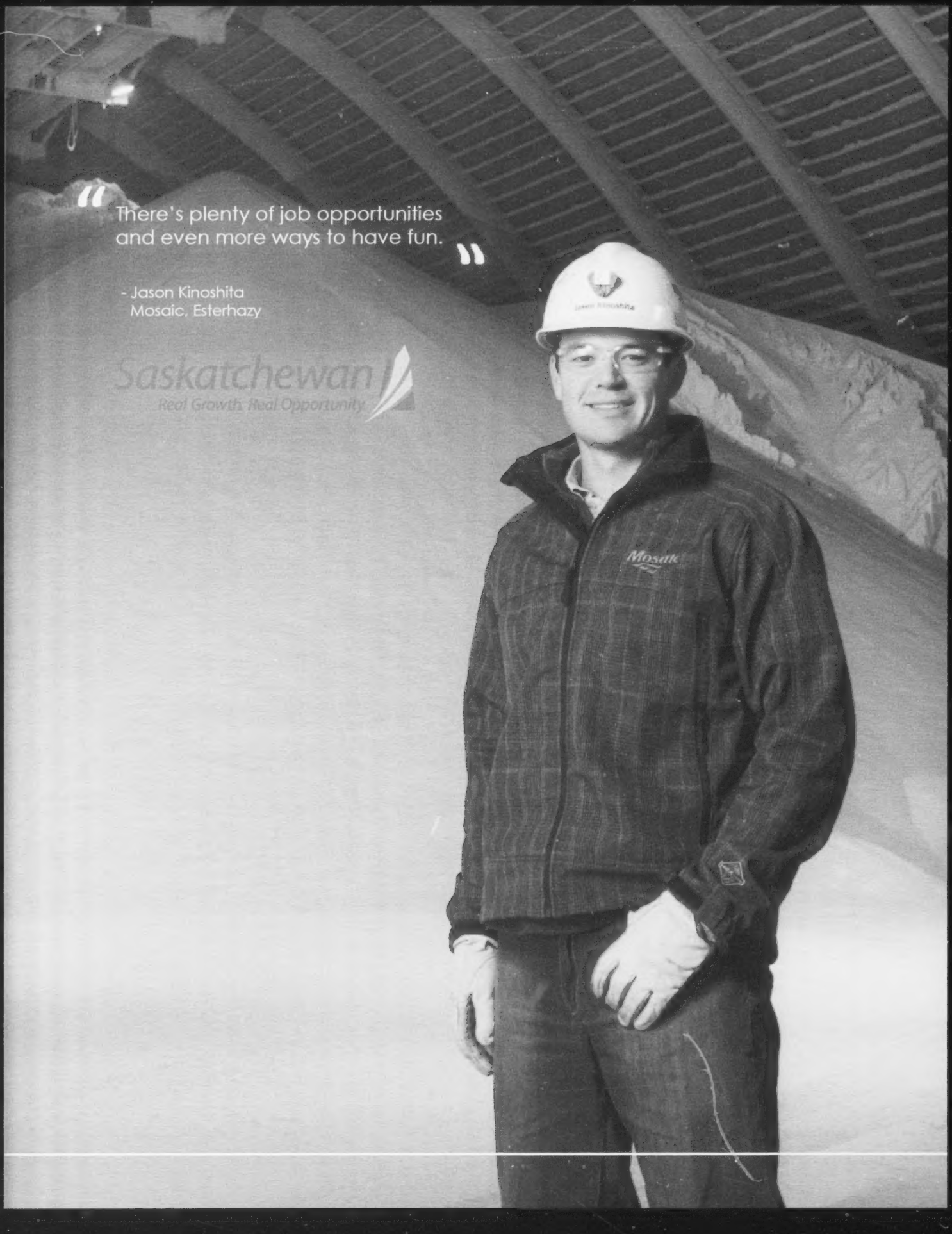
ES's Regional Enterprise Division is working with the Saskatchewan Young Professionals and Entrepreneurs (SYPE) to set up a network of chapters across the province. SYPE provides networking and professional development opportunities to young people. Currently SYPE has seven chapters and more than 650 members.

"By providing opportunities for young professionals and entrepreneurs, we can attract and retain talent in any Saskatchewan town or city. Enterprise Saskatchewan "gets it," and that is why it has partnered with SYPE to grow this network of forward-thinking young people."

- Alison Anderson, President
  SYPE Moose Jaw Chapter



2010-11 BOARD REPORT


"There's plenty of job opportunities and even more ways to have fun."
- Jason Kinoshita
Mosaic, Esterhazy
Saskatchewan
Real Growth. Real Opportunity.
Mosaic

MESSAGE FROM THE CHAIR

I am pleased to present this comprehensive report on the activities and progress of the Enterprise Saskatchewan board for the fiscal year ending March 31, 2011.

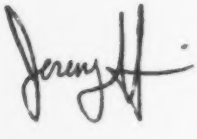
Saskatchewan's economy continues to show unprecedented strength. Enterprise Saskatchewan and the board are working diligently with our province's economic sectors to continue to move Saskatchewan forward.

Saskatchewan's economy led the way in 2010-11 in a variety of key indicators. The province's population is the highest it has been in our history. Our 2010 GDP growth was the second highest in the country, and the outlook moving forward is equally positive. Six private sector forecasters are predicting our province will lead the nation in economic growth in both 2011 and 2012. Business optimism is at an unprecedented high, with public and private sector investment reaching over $15 billion in 2010 and forecasted to reach a record of $17 billion in 2011.

Enterprise Saskatchewan is committed to pressing the Saskatchewan Advantage of low taxes, strong quality of life, reduced government debt and less red tape for businesses. Our board continues to make recommendations to government that support the development of our province's economy. These recommendations and achievements are detailed in the pages that follow.

I would like to extend my gratitude to our outgoing board members – June Draude, Craig Lothian and Gary Merasty. These individuals brought a wealth of knowledge to the boardroom table, and we are grateful for the hard work they contributed throughout their tenures.

Looking forward, we will continue to focus our energy on creating real growth and real opportunities for the people of Saskatchewan.



Jeremy Harrison
Board Chair

MESSAGE FROM THE VICE CHAIR

As Vice Chair of the Enterprise Saskatchewan board, it is with pride that I submit this review of our work and accomplishments to March 31, 2011.

This year was one of optimism and excitement for Saskatchewan. Our GDP growth is leading the nation, our business environment is one of the most attractive and competitive of any jurisdiction, and we have quickly become known as the province to live, work, invest and do business.

Undoubtedly, Saskatchewan is abounding with real growth and real opportunity, and the board is pleased to be involved in effecting and sustaining this progress. The board is comprised of representatives of our province's key economic sectors, and each member affords talent, experience, vision and commitment to further advance our economy. Indeed it is a great privilege to work closely with these individuals as we build upon our province's countless assets and push the competitive advantage – the Saskatchewan Advantage – at every opportunity.

The board continues to affect the policy and direction of the province through recommendations to Cabinet and through collaboration with Enterprise Saskatchewan's sector teams, strategic issues councils and employees. Their efforts do not go unnoticed, and their expertise, devotion and enthusiasm continue to define our overall success. Information on board recommendations, achievements and ongoing activities are detailed in the report that follows.

At Enterprise Saskatchewan, our business is business. As such, the board is focused on further improving the regulatory and tax environments for our businesses. Where barriers to growth arise, we will take the necessary steps to break them down. We will also continue facilitating diversification of our provincial economy so that companies and individuals alike can prosper from a strong Saskatchewan.

Gavin Semple
Vice Chair

INTRODUCTION

Over the last year, the Enterprise Saskatchewan (ES) Board of Directors made 14 recommendations to government, bringing the total number to 74 since the ES board's inception. Of these, 39 recommendations have been substantially implemented, 21 are in progress or awaiting decision, and 14 have not been implemented.

The following highlights progress that has been made during the 2010-11 fiscal year on previous ES board recommendations.

Tax Competitiveness

The ES board continues to advocate for tax competitiveness that would include a 10 per cent personal income tax rate, a 10 per cent corporate income tax rate, and a harmonized sales tax within the context of a balanced budget. While these tax measures have not been implemented, other tax reductions were made in the 2011-12 budget:

- Increased exemptions to personal income taxes will save taxpayers $60 million per year. Personal income tax reductions over the last three years will save taxpayers $420 million annually.
- As of July 1, 2011, the small business income tax rate will be reduced from 4.5 per cent to 2.0 per cent for income up to $500,000, saving small businesses an estimated $80 million per year.
- Education property taxes were reduced by $55.6 million, bringing total property tax reductions to $165 million over the last three years.

Labour Market Development

- The Labour Market Task Force has been established in partnership with the Saskatchewan Chamber of Commerce and the Ministry of Advanced Education, Employment and Immigration to provide strategic input to the provincial labour market strategy and advice on labour market issues.
- A minerals sector labour strategy is being developed in collaboration with the Saskatchewan Mining Association Human Resource Council to address expansion expected in the mining sector.
- ES worked with the Saskatchewan Mining Association, the two universities and SIAST to organize out-of-province recruitment events targeted at alumni. The three mining companies participating reported they were satisfied with the number of prospects and hires they made as a result.
- The ES board provided input to the Minimum Wage Board's deliberations regarding minimum wage indexing, noting considerations governing changes to the minimum wage should be fairness, protection of workers' purchasing power, market realities and competitiveness.

Entrepreneurship

- The Entrepreneurship Council completed an Entrepreneurship Strategy focused on five priority areas: improved access to financing, mentorship, entrepreneurship education, access to information and competitiveness. ES has partnered with the Ministry of Education to expand entrepreneurship education in the K-12 system. The Hill School of Business at the University of Regina recently established an entrepreneurship major.

Youth Engagement

- The Youth Economic Engagement Council (YEEC) developed a strategy focused on youth entrepreneurship, workforce development, education and youth leadership. YEEC recommendations being implemented include a youth entrepreneurship awareness campaign primarily based on social media marketing, expansion of Saskatchewan Young Professionals and Entrepreneurs (SYPE) chapters to six more Saskatchewan cites, and provision of youth leadership training across the province.

Regulatory Modernization

- Enhanced regulatory service is a key focus for the Regulation Modernization Council. Last year, the Ministry of Labour Relations and Workplace Safety's Labour Standards Branch adopted "Principles of Service," building on the Ministry of Finance's Taxpayer Service Commitments and Standards Code.

- Information Services Corporation (ISC) launched "Business Registrations Saskatchewan," providing an easy to use online process to complete the steps required to register a business with the Corporate Registry, Workers' Compensation Board and the Ministry of Finance for Provincial Sales Tax (PST). ES is working with ISC to further expand the website to include a broader range of business approvals.

- Four environmental-related acts were passed to form a results-based regulatory system framework. Prior to the acts being proclaimed, the Ministry of Environment is collaborating with First Nations and Métis people and stakeholders to develop an Environmental Code that will outline standards and practices to guide prescriptive and alternative results-based regulatory activities.

Value-Added Development and Diversification

- Eighteen of the 20 recommendations made by the Uranium Development Partnership — which resulted from an ES board recommendation — have now been implemented. In March 2011, the government announced $30 million over seven years to establish a new nuclear centre of excellence at the University of Saskatchewan that will re-establish the province as an international leader in nuclear science and medicine. The centre will include a new linear accelerator to research the production of medical isotopes and a PET/CT scan.

- A renewable diesel program was announced in the 2011-12 budget. Agricultural producers in Saskatchewan will benefit from a new market for off-grade canola leading to value-added business opportunities. The five-year, $26-million program provides a 13 cent per litre grant to eligible renewable diesel producers, beginning on April 1, 2011. A two per cent renewable diesel mandate comes into effect on July 1, 2012.

- The provincial government has agreed to expand emergency medical services through the helicopter-based Shock and Trauma Air Rescue Service (STARS), which will be operational in 2012. The Energy Sector Team recommended that the program be implemented, and resource companies such as Crescent Point Energy, Mosaic and PotashCorp have committed approximately $40 million for the service.

Trade

- The Province of Saskatchewan has made progress implementing the New West Partnership (NWP) to enhance trade with Alberta and British Columbia. Harmonizing of transportation regulations, for instance, will allow the trucking and oil and gas sector to move more easily between provinces. Saskatchewan Trade and Export Partnership (STEP) completed a guide to doing business with other provinces, and ES is working with STEP to ensure that businesses are aware of opportunities for procurement that the NWP brings for Saskatchewan suppliers.

Saskatchewan's investment climate has improved significantly over the last few years, with the Fraser Institute rating the investment climate second among provinces in 2010. Saskatchewan received international investor attention in 2010 with BHP Billiton's $37-million bid for PotashCorp. The ES board recognized that it was an opportune time to implement a national marketing campaign to promote opportunities for living, working, doing business and investing in Saskatchewan.

ES Board Recommendation:

- Implement a national marketing campaign.

Progress:

The "Real Growth. Real Opportunity." campaign was launched in November 2010. It has received positive feedback in the media and among key stakeholders, including the Saskatchewan Chamber of Commerce and Saskatchewan Mining Association. From November 13, 2010, to March 31, 2011, the campaign website, thinksask.ca, received almost 35,000 unique visits. Visit www.thinksask.ca.

Saskatchewan
Real Growth. Real Opportunity.

The Regulatory Modernization Council (RMC) was established to provide advice on regulatory change and related business service priorities to make it easier to do business and interact with government. The RMC has established a workplan with three priorities: improving regulatory service, increasing regulatory accountability and transparency, and expanding online regulatory services.

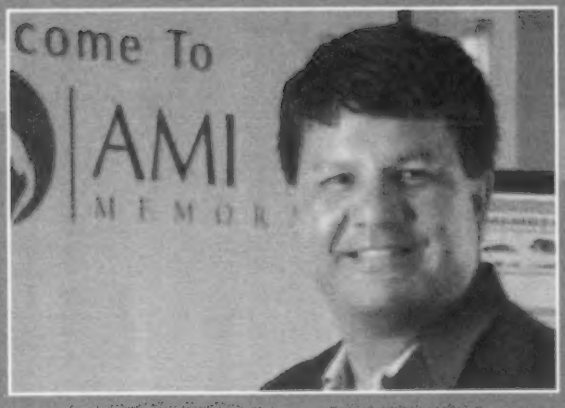
The RMC proposed a regulatory accountability initiative to ensure regulations accomplish their objectives in the most efficient and flexible manner while ensuring the protection of environmental, social and economic interests. Annual public reporting was recommended to increase transparency in government's development, implementation and enforcement of provincial regulations and requirements.

ES Board Recommendation:

- Implement a regulatory accountability initiative that incorporates a Regulatory Competitiveness and Transparency Act to improve the quality and transparency of regulations, encourage regulatory innovation, reduce the barriers to competitiveness imposed by unnecessary red tape, and require annual public reporting by ministry with regards to their progress towards regulatory modernization. Develop a workplan to implement the initiative and report back to the board.

Progress:

The Red Tape Reduction Initiative (RTRI) was highlighted in the October 2010 Throne Speech. ES is now working with other ministries and agencies to implement the initiative, which will include a comprehensive review of all business-related regulations by a new Legislation and Regulation Review sub-committee chaired by the Minister of Enterprise. The Government of Saskatchewan proclaimed the second week in January 2011 as Red Tape Awareness Week, and ES released the Regulatory Modernization Progress Report that highlighted regulatory and service enhancements made by provincial ministries and agencies in 2010.



"Being registered has allowed me to promote my products and services to Crowns, government, private-sector businesses and any other major project developments in Saskatchewan."

- Joseph Bear, President
AMI Memorials Inc.

SASKATCHEWAN ABORIGINAL BUSINESS DIRECTORY

The directory promotes Aboriginal-owned, Saskatchewan-based businesses to Crown corporations, government and private sector.

ES Board Recommendation:

- Publish a list of approvals and fees required of businesses by each ministry and agency on an annual basis with a summary report of trends.

Progress:

ES issued a Request for Proposals (RFP) for the development of a database to provide the information necessary for government to track and report on approvals and fees as well as regulation changes. The database is expected to be completed in 2011.

The agriculture sector is a significant part of the provincial economy, with just over 10 per cent of GDP and providing approximately 43,000 jobs. Agricultural exports increased by 7.8 per cent annually between 1999 and 2009. Primary production consists of cereal crops, oilseeds, pulse crops, specialty crops like wild rice, feed and forage processing industries, and livestock industries. Most activity in Saskatchewan's agri-value industry occurs in the meat processing, flour and baking, dairy products and food ingredient segments. Approximately 250 food processing companies operate in the province.

The European Union (EU) has significant potential as a market for Saskatchewan agricultural sector products. To realize that potential, the Agriculture Team encouraged the provincial government to reinforce its commitment to federal negotiations to increase access to this important market.

The agriculture industry is looking for improvements from service provided by the rail-based transportation system. The Agriculture Sector Team asked the province to take a leadership role in working with other partners with common interests to present a strong united voice to the Rail Freight Service Review Panel, established to consult with stakeholders and recommend ways to improve the efficiency, effectiveness and service reliability of Canada's rail-based transportation system.

Under federal legislation, the Canadian Wheat Board is the sole buyer and marketer of western Canadian wheat and barley used for human consumption and export markets. The Agriculture Sector Team believes that increased flexibility to sell wheat and barley would enable individual producers to maximize their returns and provide more opportunities for the value-added agriculture sector to negotiate competitive prices directly with farmers.

Provincial agricultural research and development spending has not kept up with inflation over the past two decades, resulting in slower productivity growth, especially in the crops sector. Investment in agricultural research has been shown to yield high returns per dollar spent, benefiting not only agriculture producers, but also consumers.

ES Board Recommendation:

- Reinforce Saskatchewan's commitment to the successful negotiations of the Canada-European Union Comprehensive Economic and Trade Agreement.

Progress:

The Government of Saskatchewan is committed to reaching an ambitious deal with the EU that delivers on our key interest: open and secure access to the EU market for our agricultural commodities and products. Intergovernmental Affairs (IA) and the Ministry of Agriculture have activity participated in the formal negotiations between Canada and the EU. A team representing 10 Saskatchewan ministries and agencies, led by IA, will continue to actively work to advance Saskatchewan's interests in securing a successful conclusion to the negotiations.

ES Board Recommendation:

- Take a leadership role in developing and implementing a strategy to promote and advance the common themes of the submissions from the western provinces' farm sector and agriculture industry associations to the Rail Freight Service Review. This strategy should be developed in response to the October 2010 release of the interim report.

Progress:

The Ministry of Agriculture and the Ministry of Highways and Infrastructure have been active in defining and advancing the Saskatchewan government's position on rail service issues. The ministries provided an initial submission in May 2010, and a follow-up one in response to the panel's interim report in November 2010. The ministries worked closely with other western Canadian stakeholders in making a submission with many common themes. After the panel rejected the recommendations, the Minister of Highways and Infrastructure requested that Saskatchewan's concerns be revisited. The ministries are continuing to work toward an acceptable resolution.

ES Board Recommendation:

- Reinforce the Government of Saskatchewan's existing commitment to marketing choice for barley, durum and wheat farmers by instructing the Ministry of Agriculture to develop a plan to further this objective, including urging the federal government to make regulatory and legislative changes to provide for dual marketing choice. Further, direct the Ministry of Agriculture to work together with the Marketing Choice Subcommittee of the ES Agriculture Sector Team to develop the plan by July 31, 2010.

Progress:

The Ministry of Agriculture is aware of the recommendation and continues to review.

ES Board Recommendation:

- Reinforce the Government of Saskatchewan's commitment to primary agriculture research and innovation by developing a plan for increasing research funding that is targeted to meet farmer needs. The plan should be in place as the economy begins to recover and target an overall increase in funding, from $15.2 million to $20 million, that is reflective of agriculture's contribution to the economy.

Progress:

The Government of Saskatchewan announced an additional $5 million per year increase in agriculture research funding during the 2010-11 budget year. [1]

1 An error was detected after publication and was amended on August 16, 2011. Please see the Erratum page at the end of this document for the correct text.

Saskatchewan's arts and culture sector includes book publishing, sound recording, film and video production, commercial crafts and visual arts. The sector also includes heritage institutions such as museums, historic buildings and sacred places, and elements of natural heritage like languages and genealogy. Saskatchewan's tourism industry includes travel, entertainment, recreation, accommodation and food services. Visits to parks, heritage sites, and cultural and sports events are not only the basis of Saskatchewan's tourism industry, but also a source of pride, quality of life and enjoyment for residents. The majority of arts, culture and tourism businesses are small or medium-sized enterprises independently owned and operated, and together employ approximately 50,000 people in the province.

Talented artists often have difficulty in commercializing their arts and cultural products. The Arts and Culture Sector Team recommended investigating how the creative industries could achieve their commercialization objectives. The Tourism Sector Team also said that a new model could help increase commercialization and investment in the tourism sector. Lake Diefenbaker offers significant recreation and tourism opportunities, and the Tourism Sector Team recommended that a task team be established to investigate these opportunities.

ES Board Recommendation:

- Review what is required to support the commercialization objectives of the creative industries.

Progress:

ES hired a consultant through an RFP process, and the work along with the draft report has been completed and is being reviewed by stakeholders.

ES Board Recommendation:

- In consultation with related agencies, present a business rationale and model that would co-ordinate and assist commercialization and investment opportunities in the tourism sector.

Progress:

ES hired a consultant, and the work along with the draft report has been completed and is being reviewed by stakeholders.

"The Enterprise Saskatchewan board recommendation to raise the annual limit on provincial labour-sponsored investment funds was timely and necessary to help local companies grow and give Saskatchewan residents more opportunity to invest in the future of their province."

– Grant Kook, President
Golden Opportunities

2009 BOARD RECOMMENDATION

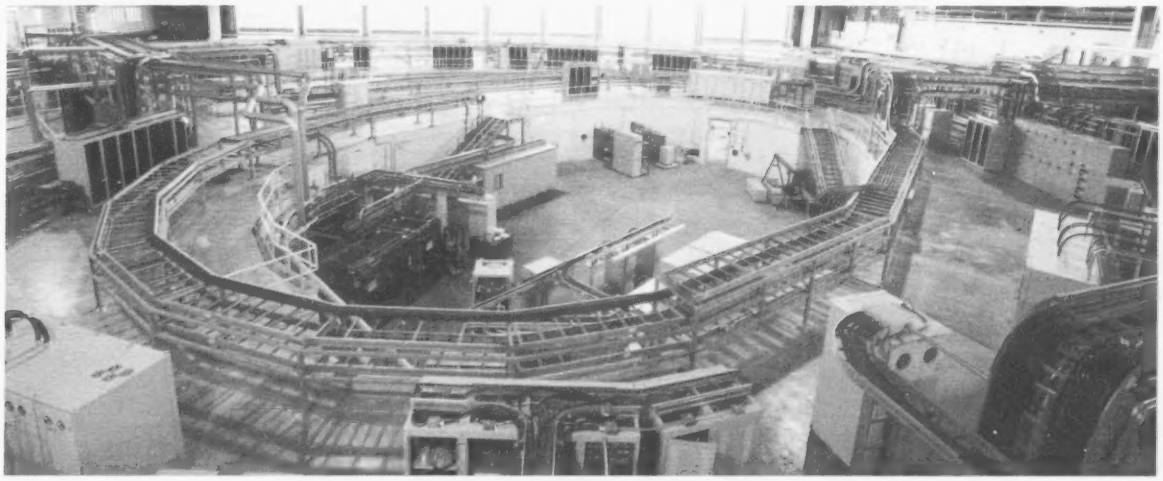
The board recommended that the annual sales cap for provincial funds in the Invest in Saskatchewan program (Labour-sponsored Venture Capital Corporation) be eliminated.

ES Board Recommendation:

- Form a task team to develop a comprehensive strategy/plan for Crown land around Lake Diefenbaker.

Progress:

The Ministry of Tourism, Parks, Culture and Sport, in partnership with the Ministry of Agriculture, the Ministry of Municipal Affairs and the Ministry of Environment, have recognized the need for a long-term development plan surrounding Lake Diefenbaker as demand for land use in the region increases. The ministries note that there are multiple interests and that government is working to better understand these interests as a first step in development of a plan for Crown land in the area.



Saskatchewan's information technology (IT) sector has approximately 330 firms and gross revenues of approximately $1.44 billion, in addition to SaskTel's revenue of $1.04 billion. The sector includes software development, new media, Internet technologies, e-commerce, communications technologies, robotics, electronics, and biotechnology and health informatics. Approximately 13,500 people are employed in IT, with 73 per cent of companies employing fewer than 10 people.

Government ministries, agencies and Crown corporations are important markets for information technology and other innovative products. The Information Technology Sector Team said that local companies could be better prepared to bid on competitive tenders if they were consulted earlier during government's planning process.

Government officials involved in purchasing decisions often choose proven products from big companies with track records over new products from local innovative companies that might better meet their long-term needs. To help overcome the risk involved in purchasing new innovative technology, the Alternative Energies and Environmental Industries Sector Team recommended that a program be established to incent government participation in demonstration projects.

ES Board Recommendation:

- Provide a process for government agencies and Crowns to consult with industry representatives prior to the formal RFP process as part of the Saskatchewan Crown's, ministry's or agency's strategic business planning.

Progress:

ES will hold a Strategic Business Overview and Procurement Forum on April 14, 2011, in Saskatoon. Over 250 business people are expected to attend the event to hear presentations from 13 different Crowns and ministries.

ES Board Recommendation:

- Develop a program to incent government participation in demonstration projects as a first purchaser of innovation technology.

Progress:

Additional work on this recommendation is pending the results from the Western Senior Officials Forum on Innovation (WSOFI) in early summer 2011.

Transportation and logistics is an industry in its own right, and also impacts other sectors. Saskatchewan moves large volumes of products and commodities to markets around the world and into the United States via infrastructure that is integrated with North America's extensive air, rail and highway networks. The province has 2,400 trucking companies, two international airports, numerous municipal airports, two major rail lines and nine short-line railroads.

The Transportation and Logistics Sector Team reviewed a study that reported that an investment of $230 million over 10 years is necessary to restore and modernize northern airport infrastructure to fully take advantage of the potential for northern mining and oil and gas developments. The tourism industry would also benefit from upgrades to northern airport infrastructure.

A dedicated branch or unit focused solely on aviation issues within the Ministry of Highways and Infrastructure to increase service levels was also recommended by the Transportation and Logistics Sector Team.

ES Board Recommendation:

- Develop a northern transportation strategy, inclusive of aviation, to attract investment and economic development.

Progress:

The Ministry of Highways and Infrastructure is developing a comprehensive transportation strategy for northern Saskatchewan. The ministry's approach to the development of a Northern Transportation Strategy (NTS) is to balance investment in both key economic corridors as well as community access, which includes both roads and air transportation components, to address northern transportation issues in a comprehensive manner. The NTS capital airport component will outline how new capital investments will be selected using a rational, consistent and transparent prioritization process. This framework will be used to identify priority northern airport projects.

ES Board Recommendation:

- Consider, as part of the Ministry of Highways and Infrastructure business review process, the creation of an Air Transportation Unit to align air transportation policy and programs with the needs of aviation stakeholders.

Progress:

Intra-provincial trucking and short-line railways are provincial responsibilities requiring regulatory oversight by the ministry. For this reason, units dedicated to trucking and short-line rail are required. Aviation is a federal responsibility and is regulated through federal statutes with the ministry providing assistance towards infrastructure when appropriate. It is for this reason that a dedicated aviation unit is not being planned. The ministry is implementing a new organizational structure that will more effectively integrate policy, planning, standards and program structures for all modes of transportation within the ministry to meet the improved citizen service objective of our government.

"Enterprise Saskatchewan manufacturing sector experts have played an instrumental role in bringing lean manufacturing practices to Saskatchewan, helping our manufacturers achieve the productivity levels needed to be the best in the world."

– Tom Foster, President
Industrial Machine & Manufacturing

ES STAFF

ES staff has worked with the manufacturing sector to establish three lean consortiums where more than 50 companies share best practices, take lean training and access industry expertise.

In January 2011, ES announced a reorganization of its advisory teams. The number of sector teams was reduced from 18 to the following eight teams:

- Arts, Culture and Tourism;
- Infrastructure and Services;
- Science and Technology;
- Manufacturing;
- Agri-business;
- Energy;
- Mining and Forestry; and
- Transportation and Logistics.

The Co-operatives Sector Team was reconstituted as a strategic issues council because the issues that the participants address cover various sectors from financial to retail to agriculture to various non-profit sectors. Other strategic issues councils that provide advice respecting the development of Saskatchewan's overall economy include the following:

- Regulatory Modernization;
- Entrepreneurship; and
- Youth Economic Engagement.

ES also partnered with the Ministry of Advanced Education, Employment and Immigration (AEEI) and the Saskatchewan Chamber of Commerce (SCC) to establish the Labour Market Task Force (LMTF) co-chaired by AEEI and the SCC, and with business, government, labour and post-secondary institution representatives. The LMTF will serve as the labour market council, providing strategic input to the new provincial labour market strategy and other advice on closing labour market supply and demand gaps.

The new sector teams and strategic issues councils came together on March 31, 2011, to learn about enhancements to the recommendation process and communications, ISC's new one-stop business registration website, development of a new provincial housing strategy led by Saskatchewan Housing Corporation, and development of a new provincial labour market strategy led by AEEI. Premier Brad Wall and Enterprise Saskatchewan Chair, Minister Jeremy Harrison, also addressed participants.

ENTERPRISE SASKATCHEWAN BOARD MEMBERS (AS AT MARCH 31, 2011)

The Honourable Jeremy Harrison
CHAIR - GOVERNMENT NOMINEE

Minister of Enterprise, Minister Responsible for Trade and Deputy House Leader, Minister Harrison previously served as Minister of Municipal Affairs. Minister Harrison was elected as the Member of the Legislative Assembly for the Meadow Lake Constituency in 2007. He also has experience in federal politics and on June 28, 2004, at the age of 26 was one of the youngest Canadians to ever sit in the House of Commons. Mr. Harrison has a Bachelor of Law Degree from the University of Saskatchewan.

The Honourable Ken Cheveldayoff
MEMBER OF EXECUTIVE COUNCIL

Minister of First Nations and Métis Relations, and Minister Responsible for Saskatchewan Gaming Corporation. He previously served as Minister of Enterprise and Minister of Crown Corporations. Minister Cheveldayoff was elected in 2003 as the MLA for Saskatoon Silver Springs. He previously worked as a senior business advisor helping individual businesses and industries to grow and expand. Mr. Cheveldayoff attended Carleton University in Ottawa, the University of Saskatchewan and Newport University in Southern California, receiving a B.A. (Honours) in Economics and Political Science in 1988 and a Master of Business Administration in 1996.

Gavin Semple
VICE CHAIR - BUSINESS NOMINEE

Owner and President of Brandt Group of Companies, the largest privately held company in Saskatchewan, employing 1,250 people across Canada. Mr. Semple has served on several boards and also actively supports community organizations such as Evraz Place and Luther College. In 2009, Mr. Semple became the first ever Saskatchewan citizen to be appointed to the Canadian Manufacturers Hall of Fame.

Myrna Bentley
CO-OPERATIVES SECTOR NOMINEE

Former President and CEO of Concentra Financial Services Inc. She has worked in the co-operative financial system for over 30 years holding a variety of senior executive positions. Ms. Bentley is an active community volunteer and served on many non-profit boards, winning many awards and recognition for her leadership.

Anthony Marino
RESOURCE SECTOR NOMINEE

Mr. Marino is the President, CEO and Director of Baytex Energy Corp. He is a registered Professional Engineer and a Chartered Financial Analyst, and has over 25 years of experience in the North American oil and gas industry. Mr. Marino was previously a member of the Board of Governors for the Canadian Association of Petroleum Producers (CAPP) and the Independent Petroleum Association of Mountain States (IPAMS) in the United States. While on the CAPP board, Mr. Marino served as Chair of CAPP's Saskatchewan Executive Policy Group. From 2008 to 2011, he was a member of Enterprise Saskatchewan's Energy Sector Team.

Karen Chad
POST-SECONDARY NOMINEE

Vice President Research at the University of Saskatchewan (U of S). She is also a faculty member in the U of S College of Kinesiology. With a PhD from the University of Queensland in Australia, Dr. Chad is a prolific researcher and has supervised numerous graduate students. Dr. Chad sits on a number of national boards and has chaired or overseen more than 100 key boards, committees, research programs and teams.

Michael Fougere
URBAN MUNICIPALITY NOMINEE

President of the Saskatchewan Construction Association. Mr. Fougere is currently sitting for his fifth term on Regina City Council and serves on many committees. He previously worked with the provincial government in the area of investment attraction, business development and business immigration.

David Marit
RURAL MUNICIPALITY NOMINEE

President of the Saskatchewan Association of Rural Municipalities (SARM). Mr. Marit has farmed in the Fife Lake area for over 35 years. He represents SARM on several councils and committees including the Federation of Canadian Municipalities, Prairie Association of Rural Municipalities, and the Resource and Economic Development Committee to remove municipal impediments to economic development.

Chief Darcy Bear
ABORIGINAL NOMINEE

Darcy Bear is the Chief of the Whitecap Dakota First Nation, located 26 kilometres south of the City of Saskatoon. Chief Bear has served his community since 1991, and he is currently in his sixth consecutive term. Chief Bear maintains, "Our strengths are our accountability and governance; this has led to over $100 million of investment in our community, 650 jobs and an unemployment rate of four per cent and we continue to improve the quality of life for our people."

Hugh Wagner
LABOUR NOMINEE

General Secretary of the Grain and General Services Union (ILWU Canada). Mr. Wagner has served on a variety of committees, consultative bodies and labour movement forums, including the Saskatchewan Labour Relations Board and Western Transportation Advisory Council. Mr. Wagner has worked in the service sector, the construction industry and the Saskatchewan civil service.

Bill Cooper
AGRICULTURAL PRODUCERS NOMINEE

Mr. Cooper farmed in the Foam Lake area from 1951 to 2008. During his farming career, he taught numerous agriculture courses at the University of Saskatchewan. He served on several agriculture boards, committees and think tanks, and is an advocate for market-driven solutions to agriculture.

David Dube
MEMBER AT LARGE NOMINEE

Mr. Dube is the President and CEO of the Concorde Group of Companies. He holds an Advanced Bachelor of Arts in Political Science from the University of Saskatchewan and is a Huskie Football alumnus. He is an active member of Young Presidents Organization and an avid supporter of his alma mater, the University of Saskatchewan — particularly the Western College of Veterinary Medicine, Huskie Athletics and the Huskie Football team.

ERRATUM

The following error was detected after publication of the Enterprise Saskatchewan 2010-2011 Annual Report and Board Progress Update.

Board Progress Update — page 9, column 2, final paragraph

The paragraph incorrectly notes the length of additional agriculture research funding from the Government of Saskatchewan. The paragraph should read:

'The Government of Saskatchewan announced an additional $5 million increase over four years in agricultural research funding during the 2010-11 budget year.'

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